

The January 14, 2016, meeting was called to order at 9:00 a.m. in the Media Conference Room at the Department of Revenue by Pat Albro, Chair of the Committee.

In attendance were: Pat Albro, designee of the Property Tax Administrator; Lori Johnson, private sector appraiser; Rob Ogden, representing the county assessors; and John Wiechmann, representing the low income housing industry. Also from the Department of Revenue, Property Assessment Division, were Jon Cannon counsel for the Committee and Jim Koch note taker.

Ms. Albro read the open meetings law provisions as applicable to the meeting.

Ms. Albro asked for public comments from others in attendance either in person or by telephone. There were no public comments

The minutes of the November 23, 2015, were read. Ms. Johnson moved to approve the minutes as read. Rob Ogden seconded the motion. Lori Johnson, aye; Rob Ogden, aye; John Wiechmann, aye; and, Pat Albro, aye. 4 ayes, no nays the motion passed.

Mr. Wiechmann moved to have agenda item 7, "Other Items of Interest", moved up in order to discuss recent meetings with assessors. The motion was seconded by Ms. Johnson. All voted aye.

Ms. Albro shared information regarding the presentation to assessors at their workshop. The assessors were provided with examples of how to apply the 'cap rate' determined by the Committee. The rights and authorities of the assessors were discussed, also.

Jon Cannon discussed specific questions raised by a county assessor and the county board. The questions concerned the right of the assessor to present information to the county board so they might petition the Tax Equalization and Review Commission to allow them to use an alternate method to better value a project involving multiple parcels. While the county officials felt the Tax Commissioner should present an appeal to the Commission, it was explained that this was clearly a right of the county board. The county officials had contacted two Committee members regarding this concern. Committee members should gauge appropriateness of discussions they might be drawn into with others regarding the implementation of the capitalization rates issued.

Ms. Johnson commented on observations she made in reviewing the income and expense statements presented by the projects. She noticed inconsistencies in the reporting of Payroll/Processing fees she felt were unusually high. Her suggestion was the Committee watch for inconsistencies by testing the relationship of effective gross income to net operating income. There was also a comment regarding the reporting of reserves for replacement which is a requirement under Section 42 reporting.

Mr. Wiechmann mentioned that the reporting of repair expenses should also be reviewed as occasionally a project may erroneously report capital expenditures under the repair expenses. Mr. Wiechmann will provide a national study of income and expense ratios that can be compared to the reported expenses.

Mr. Ogden had also observed atypical vacancy rates in some project filings. It was generally agreed that in most cases the affordable housing projects have waiting lists of qualified tenants and reported low vacancy rates, but this may not be the case in some less populated communities. Additionally a single vacancy in a small project can skew the vacancy rate reported. The project manager should be able to explain this.

Committee members should decide what they want to see in the next round of reporting prior to the next meeting. Mr. Ogden suggested getting input from the assessors and their appraisers regarding the information they would want included.

Mr. Wiechmann moved to meet Thursday, February 11, 2016, at 9:00 a.m. in the Department of Revenue. The motion was seconded by Ms. Johnson. Johnson, aye; Wiechmann, aye; Ogden, aye; and Albro, aye.

Mr. Wiechmann suggested that the reporting requirements could be presented to project managers and developers at the Nebraska Investment Finance Authority's Housing Innovation Marketplace event March 22 or 23. He was asked to contact NIFA to determine if this could be arranged.

An additional planning meeting was scheduled for Friday, March 11, 2016, at 9:00 a.m. to discuss a revised format for projects to report their financials to the Committee.

Motion to adjourn was made by Mr. Ogden; seconded by Ms. Johnson. Albro, aye; Johnson, aye; Ogden, aye; and Wiechmann, aye. The motion carried.

The meeting adjourned at 10:15 a.m.